

Exhibit 15

1 IN THE UNITED STATES DISTRICT COURT
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3 IN AND FOR THE DISTRICT OF DELAWARE
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6 OI EUROPEAN GROUP B.V., : MISCELLANEOUS ACTION
7

8 Plaintiff, :
9 v :
10 :
11 BOLIVARIAN REPUBLIC OF VENEZUELA; :
12 :
13 Defendant. : NO. 19-290-LPS

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15 NORTHROP GRUMMAN SHIP SYSTEMS, INC., : MISCELLANEOUS ACTION
16

17 Plaintiff, :
18 v :
19 :
20 THE MINISTRY OF DEFENSE OF THE :
21 REPUBLIC OF VENEZUELA, :
22 :
23 Defendant. : NO. 20-257-LPS

24 - - -

25 Wilmington, Delaware
Friday, April 30, 2021
Oral Argument Hearing

26 - - -

27 BEFORE: HONORABLE LEONARD P. STARK, Chief Judge

28 APPEARANCES: - - -

29 MORGAN LEWIS & BOCKIUS, LLP
30 BY: JODY C. BARILLARE, ESQ.

31 and

32 MORGAN LEWIS & BOCKIUS, LLP
33 BY: P. SABIN WILLETT, ESQ.,
34 JONATHAN M. ALBANO, ESQ., and
35 CHRISTOPHER L. CARTER, ESQ.
(Boston, Massachusetts)

36 and

37 Brian P. Gaffigan
38 Registered Merit Reporter

1 APPEARANCES: (Continued)

SEQUOR LAW, P.A.

EDWARD H. DAVIS, JR., ESQ.
FERNANDO J. MENENDEZ, ESQ., and
CRISTINA VICENS BEARD, ESQ.
(Miami, Florida)

Counsel for OI European Group B.V.

PACHULSKI STANG ZIEHL & JONES LLP
BY: PETER J. KEANE, ESQ.

and

ALSTON & BIRD, LLP

BY: ALEXANDER A. YANOS, ESQ.,
CARLOS RAMOS-MROSOVSKY, ESQ., and
ROBERT POOLE, ESQ.
(New York, New York)

Counsel for Northrop Grumman
Ship Systems, Inc.

ABRAMS & BAYLISS

BY: STEPHEN C. CHILDS, ESO.

and

SULLIVAN & CROMWELL, L.L.P.

BY: JOSEPH E. NEUHAUS, ESQ.
(New York, New York)

Counsel for Bolivarian
Republic of Venezuela

1 APPEARANCE: (CONTINUED)

2
3 HEYMAN ENERIO GATTUSO & HIRZEL LLP
BY: SAMUEL T. HIRZEL, II, ESQ.

4 and

5 CURTIS, MALLET-PREVOST, COLT & MOSLE LLP
6 BY: JOSEPH D. PIZZURRO, ESQ.
JULIA B. MOSSE, ESQ.
KEVIN A. MEEHAN, ESQ., and
JUAN O. PERLA, ESQ.
(New York, New York)

7
8 Counsel for Intervenor Petróleos de
9 Venezuela, S.A.

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PROCEEDINGS

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(REPORTER'S NOTE: The following oral argument

video hearing was held remotely, beginning at 9:11 a.m.)

1 not physically control the country. This means that his
2 government needs to both be seen to act in a presidential
3 manner and he needs -- and PDVSA offers him a chance to
4 govern something effectively, and he needs PDVSA for
5 leverage in his political struggle with Mr. Maduro.

6 Just last week -- turning to the next slide --
7 Mr. Guaidó drew down on Central Bank funds previously frozen
8 in the United States to, in part, pay for vaccines and also,
9 in part, to pay his government and also, in part, to pay for
10 Venezuela and PDVSA's legal bills.

11 We offered that article today as Plaintiff's
12 Exhibit 124.

13 And the use of Venezuelan money to pay PDVSA's
14 bills, by definition, constitute commingling, which is, of
15 course, as the Court knows, a critical element of the
16 banking cap.

17 Mr. Guaidó's domination of PDVSA was so
18 important that in an official decree published on
19 February 8th, 2019, less than a month after being declared
20 Interim President, Mr. Guaidó appointed a new Ad Hoc Board.
21 Shortly thereafter, Mr. Guaidó issued Decree Number 3
22 reorganizing the Ad Hoc Board and enhancing its power.

23 That is at Plaintiff's Exhibit 93, with the
24 original at Plaintiff's Exhibit 92.

25 The point of this decree was to keep PDVSA and

1 its assets close and, of course, it's most important, away
2 from Mr. Maduro.

3 President Guaidó's relationship with PDVSA is
4 organized entirely around his struggle to gain legitimacy
5 and power vis-à-vis Mr. Maduro.

6 But this is a case, it's clear on the face of,
7 among other things, Article 34(3) (b) of the transition
8 statute, which is Plaintiff's Exhibit 89, which we put on
9 the screen.

10 What you see there, Your Honor, is provisions
11 directly ordering PDV Holdings and its subsidiaries, you
12 know, not to engage in any relationships with Mr. Maduro.

13 So obviously Venezuela does not own the shares
14 of PDV Holdings or CITGO. They own PDVSA, but this is not a
15 statute directing PDVSA to do something. It is -- they're
16 just jumping straight through that. They're directing PDV
17 Holdings to do something. That is not a shareholder acting.
18 That is a shareholder that is, in fact, the alter ego of the
19 company it owned.

20 As reported in the article from the United
21 Press, presented as Plaintiff's Exhibit 105 on the next
22 slide, the Guaidó government has, in fact, characterized the
23 appointments of the Ad Hoc Board as "part of taking,
24 progressive and orderly control of the assets of our
25 Republic abroad in order to speed up the political

1 transition."

2 So there we see again the assets of the
3 Republic, which is all we want to do is enforce our judgment
4 against the Republic, against the assets of the Republic,
5 and then we also see the fact that the state is using its
6 assets for political purposes, to speed up the political
7 transition.

8 Set against all of this, PDVSA's main defense,
9 as you will probably hear again today, has been to pretend
10 it observes all corporate formalities. Mr. Guaidó said he
11 respects PDVSA's corporate separateness and that
12 separateness necessarily -- but that is not how it works.
13 PDVSA's formal invocation of corporate separation is at best
14 aspirational.

15 At this time, and this is the only relevant time
16 for your analysis, we submit, PDVSA remains an integral part
17 of the state. Venezuela controls PDVSA's actions for purely
18 political end, to keep the money away from Mr. Maduro and to
19 preserve its bargaining position in political negotiations.

20 Venezuela uses PDVSA funds to pay government
21 bills, and Venezuela uses its own money to pay PDVSA's
22 lawyers. In other words, PDVSA and Venezuela are sharing
23 the same money for whichever purpose is expedient at any
24 given moment.

25 And Venezuela -- three, Venezuela interferes

1 categories that would not be enough for you to prevail, I
2 believe.

3 MR. YANOS: Well, thank you for asking that
4 question.

5 I think that the first point is that the use of
6 the company for noncommercial ends, right, the control that
7 PDVSA exercises or the control exercised over PDVSA is, as
8 I'd said before, for political end unrelated to the
9 commercial business of PDVSA. PDVSA is not a -- is in the
10 business of owning and managing oil assets but Venezuela
11 asks it to further its political ends.

12 Second of all, we have what we call the
13 commingling of funds, both with respect to bills paid by the
14 National -- that funds that we talked about that Mr.
15 Pizzurro said was a Central Bank fund, we have evidence that
16 has in its origin actually money that was derived from
17 CITGO. So we have money that was derived from CITGO being
18 used to pay the salaries of the National Assembly. We also
19 have the use of that money to pay -- by the state to pay
20 PDVSA's lawyers.

21 So it's just, you know, my debt is your debt.
22 We're all one big debt. And that basic concept is
23 reinforced in the government's position on the payment
24 of debt where everyone is told to be treated pari passu,
25 whether the obligor is PDVSA or the obligor is Venezuela.